

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1058

Introduced by McDonald, 41; Pankonin, 2.

Read first time January 18, 2008

Committee: General Affairs

A BILL

1 FOR AN ACT relating to gambling; to amend sections 71-816 and
2 71-817, Revised Statutes Cumulative Supplement, 2006,
3 and section 9-812, Revised Statutes Supplement, 2007; to
4 change provisions relating to the distribution of the
5 State Lottery Operation Trust Fund and the use of the
6 Compulsive Gamblers Assistance Fund; to state intent; to
7 rename and change powers and duties of the State Advisory
8 Committee on Problem Gambling and Addiction Services;
9 to repeal the original sections; and to declare an
10 emergency.

11 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-812, Revised Statutes Supplement,
2 2007, is amended to read:

3 9-812 (1) All money received from the operation of
4 lottery games conducted pursuant to the State Lottery Act in
5 Nebraska shall be credited to the State Lottery Operation Trust
6 Fund, which fund is hereby created. All payments of the costs
7 of establishing and maintaining the lottery games shall be made
8 from the State Lottery Operation Cash Fund. In accordance with
9 legislative appropriations, money for payments for expenses of the
10 division shall be transferred from the State Lottery Operation
11 Trust Fund to the State Lottery Operation Cash Fund, which fund
12 is hereby created. All money necessary for the payment of lottery
13 prizes shall be transferred from the State Lottery Operation Trust
14 Fund to the State Lottery Prize Trust Fund, which fund is hereby
15 created. The amount used for the payment of lottery prizes shall
16 not be less than forty percent of the dollar amount of the lottery
17 tickets which have been sold.

18 (2) (a) Beginning October 1, 2003, and until July 1, ~~2009~~,
19 2012, a portion of the dollar amount of the lottery tickets which
20 have been sold on an annualized basis shall be transferred from
21 the State Lottery Operation Trust Fund to the Education Innovation
22 Fund, the Nebraska Scholarship Fund, the Nebraska Environmental
23 Trust Fund, the Nebraska State Fair Board, and the Compulsive
24 Gamblers Assistance Fund, except that the dollar amount transferred
25 shall not be less than the dollar amount transferred to the funds

1 in fiscal year 2002-03.

2 (b) On and after July 1, ~~2009~~, 2012, at least twenty-five
3 percent of the dollar amount of the lottery tickets which have been
4 sold on an annualized basis shall be transferred from the State
5 Lottery Operation Trust Fund to the Education Innovation Fund,
6 the Nebraska Scholarship Fund, the Nebraska Environmental Trust
7 Fund, the Nebraska State Fair Board, and the Compulsive Gamblers
8 Assistance Fund.

9 (3) Of the money available to be transferred to the
10 Education Innovation Fund, the Nebraska Scholarship Fund, the
11 Nebraska Environmental Trust Fund, the Nebraska State Fair Board,
12 and the Compulsive Gamblers Assistance Fund:

13 (a) The first five hundred thousand dollars shall be
14 transferred to the Compulsive Gamblers Assistance Fund to be used
15 as provided in ~~section~~ sections 71-816 and 71-817;

16 (b) Nineteen and three-fourths percent of the money
17 remaining after the payment of prizes and operating expenses and
18 the initial transfer to the Compulsive Gamblers Assistance Fund
19 shall be transferred to the Education Innovation Fund;

20 (c) Twenty-four and three-fourths percent of the money
21 remaining after the payment of prizes and operating expenses and
22 the initial transfer to the Compulsive Gamblers Assistance Fund
23 shall be transferred to the Nebraska Scholarship Fund;

24 (d) Forty-four and one-half percent of the money
25 remaining after the payment of prizes and operating expenses and

1 the initial transfer to the Compulsive Gamblers Assistance Fund
2 shall be transferred to the Nebraska Environmental Trust Fund to be
3 used as provided in the Nebraska Environmental Trust Act;

4 (e) Ten percent of the money remaining after the payment
5 of prizes and operating expenses and the initial transfer to
6 the Compulsive Gamblers Assistance Fund shall be transferred to
7 the Nebraska State Fair Board if the most populous city within
8 the county in which the fair is located provides matching funds
9 equivalent to ten percent of the funds available for transfer. Such
10 matching funds may be obtained from the city and any other private
11 or public entity, except that no portion of such matching funds
12 shall be provided by the state. If the Nebraska State Fair ceases
13 operations, ten percent of the money remaining after the payment
14 of prizes and operating expenses and the initial transfer to the
15 Compulsive Gamblers Assistance Fund shall be transferred to the
16 General Fund; and

17 (f) One percent of the money remaining after the payment
18 of prizes and operating expenses and the initial transfer to the
19 Compulsive Gamblers Assistance Fund shall be transferred to the
20 Compulsive Gamblers Assistance Fund to be used as provided in
21 ~~section~~ sections 71-816 and 71-817.

22 (4) (a) The Education Innovation Fund is created. At least
23 seventy-five percent of the lottery proceeds allocated to the
24 Education Innovation Fund shall be available for disbursement.

25 (b) For fiscal year 2005-06, the Education Innovation

1 Fund shall be allocated as follows: The first one million dollars
2 shall be transferred to the School District Reorganization Fund,
3 and the remaining amount shall be allocated to the General Fund
4 after operating expenses for the Excellence in Education Council
5 are deducted.

6 (c) For fiscal year 2006-07, the Education Innovation
7 Fund shall be allocated as follows: The first two hundred fifty
8 thousand dollars shall be transferred to the Attracting Excellence
9 to Teaching Program Cash Fund to fund the Attracting Excellence
10 to Teaching Program Act, the next one million dollars shall
11 be transferred to the School District Reorganization Fund, and
12 the amount remaining in the Education Innovation Fund shall be
13 allocated, after administrative expenses, for distance education
14 equipment and incentives pursuant to sections 79-1336 and 79-1337.

15 (d) For fiscal year 2007-08, the Education Innovation
16 Fund shall be allocated as follows: The first five hundred thousand
17 dollars shall be transferred to the Attracting Excellence to
18 Teaching Program Cash Fund to fund the Attracting Excellence to
19 Teaching Program Act, and the amount remaining in the Education
20 Innovation Fund shall be allocated, after administrative expenses,
21 for distance education equipment and incentives pursuant to
22 sections 79-1336 and 79-1337.

23 (e) For fiscal year 2008-09, the Education Innovation
24 Fund shall be allocated as follows: The first seven hundred
25 fifty thousand dollars shall be transferred to the Attracting

1 Excellence to Teaching Program Cash Fund to fund the Attracting
2 Excellence to Teaching Program Act, and the amount remaining in the
3 Education Innovation Fund shall be allocated, after administrative
4 expenses, for distance education equipment and incentives pursuant
5 to sections 79-1336 and 79-1337.

6 (f) For fiscal years 2009-10 through 2015-16, the
7 Education Innovation Fund shall be allocated as follows: The
8 first one million dollars shall be transferred to the Attracting
9 Excellence to Teaching Program Cash Fund to fund the Attracting
10 Excellence to Teaching Program Act, and the amount remaining in the
11 Education Innovation Fund shall be allocated, after administrative
12 expenses, for distance education equipment and incentives pursuant
13 to sections 79-1336 and 79-1337.

14 (g) For fiscal year 2016-17 and each fiscal year
15 thereafter, the Education Innovation Fund shall be allocated,
16 after administrative expenses, for education purposes as provided
17 by the Legislature.

18 (5) Any money in the State Lottery Operation Trust
19 Fund, the State Lottery Operation Cash Fund, the State Lottery
20 Prize Trust Fund, or the Education Innovation Fund available
21 for investment shall be invested by the state investment officer
22 pursuant to the Nebraska Capital Expansion Act and the Nebraska
23 State Funds Investment Act.

24 (6) Unclaimed prize money on a winning lottery ticket
25 shall be retained for a period of time prescribed by rules and

1 regulations. If no claim is made within such period, the prize
2 money shall be used at the discretion of the Tax Commissioner for
3 any of the purposes prescribed in this section.

4 Sec. 2. Section 71-816, Revised Statutes Cumulative
5 Supplement, 2006, is amended to read:

6 71-816 (1) The Legislature finds that the main sources
7 of funding for the Compulsive Gamblers Assistance Fund are the
8 Charitable Gaming Operations Fund as provided in section 9-1,101
9 and the State Lottery Operation Trust Fund as provided in section
10 9-812 and Article III, section 24, of the Constitution of Nebraska.
11 It is the intent of the Legislature that the Compulsive Gamblers
12 Assistance Fund be used primarily for counseling and treatment
13 services for problem gamblers and their families who are residents
14 of Nebraska.

15 ~~(1)~~ (2) The State ~~Advisory~~ Committee on Problem Gambling
16 and Addiction Services is created. Members of the committee
17 shall have a demonstrated interest and commitment and specialized
18 knowledge, experience, or expertise relating to the provision of
19 problem gambling and addiction services in the State of Nebraska.
20 The committee shall consist of twelve members appointed by the
21 Governor and shall include at least three consumers of problem
22 gambling or addiction services.

23 ~~(2)~~ (3) The committee shall be responsible to the
24 ~~division~~ and shall (a) conduct regular meetings, (b) ~~provide advice~~
25 ~~and assistance to the division relating to the provision~~ adopt a

1 plan for administration of problem gambling and addiction services
2 in the State of Nebraska and for disbursements from the Compulsive
3 Gamblers Assistance Fund and provide a copy of the plan to the
4 division, (c) evaluate and approve applications for funding from
5 the Compulsive Gamblers Assistance Fund, ~~and make recommendations~~
6 ~~relating to disbursements from the fund,~~ (d) promote the interests
7 of consumers of such services and their families, (e) ~~provide~~
8 ~~reports as requested by the division,~~ within sixty days after the
9 end of each fiscal year, submit a report to the Legislature that
10 provides details about the plan, the provision of problem gambling
11 and addiction services, and the distribution of the fund, including
12 the recommendations of the committee and explanations if such
13 recommendations were not followed, and (f) engage in such other
14 activities as ~~directed or authorized by the division,~~ necessary to
15 carry out its duties under this section.

16 Sec. 3. Section 71-817, Revised Statutes Cumulative
17 Supplement, 2006, is amended to read:

18 71-817 The Compulsive Gamblers Assistance Fund is
19 created. The fund shall include revenue transferred from the
20 State Lottery Operation Trust Fund under section 9-812 and the
21 Charitable Gaming Operations Fund under section 9-1,101 and any
22 other revenue received by the division for credit to the fund from
23 any other public or private source, including, but not limited to,
24 appropriations, grants, donations, gifts, devises, bequests, fees,
25 or reimbursements. The division shall administer the fund for the

1 treatment of problem gamblers as ~~recommended~~ upon approval by the
2 State ~~Advisory~~ Committee on Problem Gambling and Addiction Services
3 established under section 71-816. The division ~~and~~ shall spend no
4 more than ten percent of the money appropriated to the fund for
5 administrative costs. The Director of Administrative Services shall
6 draw warrants upon the Compulsive Gamblers Assistance Fund upon the
7 presentation of proper vouchers by the division which indicate the
8 express approval of the committee for each expenditure. Money from
9 the Compulsive Gamblers Assistance Fund shall be used exclusively
10 for the purpose of providing assistance to agencies, groups,
11 organizations, and individuals that provide ~~education, assistance,~~
12 ~~and counseling,~~ assistance, and education to individuals and
13 families experiencing difficulty as a result of problem gambling,
14 to promote the awareness of gamblers assistance programs, and to
15 pay the costs and expenses of the division and the committee
16 with regard to problem gambling. The division shall not provide
17 any direct services to problem gamblers or their families. Funds
18 appropriated from the Compulsive Gamblers Assistance Fund shall not
19 be granted or loaned to or administered by any regional behavioral
20 health authority unless the authority is a direct provider of
21 a problem gamblers assistance program. Any money in the fund
22 available for investment shall be invested by the state investment
23 officer pursuant to the Nebraska Capital Expansion Act and the
24 Nebraska State Funds Investment Act.

25 Sec. 4. Original sections 71-816 and 71-817, Revised

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1 Statutes Cumulative Supplement, 2006, and section 9-812, Revised
2 Statutes Supplement, 2007, are repealed.

3 Sec. 5. Since an emergency exists, this act takes effect
4 when passed and approved according to law.